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RV BUSINESS

JUN 17
1988

Winnebago Unveils 'L-Body' Spectrum 2000

At the debut of their new rear-engine "L-Body" Spectrum 2000 Class A motorhome, Winnebago Industries Inc. executives declared their conviction that the unit will further the company's goals for vertical integration and technological leadership.

While officials of the Forest City, Iowa-based manufacturer admitted that they don't expect huge sales from the limited-production Spectrum, a 32-footer retailing for $92,367, they said they believe the new unit's chassis, with its 15,000-pound gross vehicle weight rating and six-wheel independent suspension system will lead to new motorhome generations that will account for increased market share.

"This will be the beginning of a new family of vehicles over the next three or four years," Bryan A. Hays, Winnebago vice president of sales and marketing, told a group of 25 dealers assembled in Forest City for the May 17 Spectrum debut. A dealer network of no more than 25 Winnebago and Itasca retailers is being set up for the Spectrum in "key markets," according to company officials.

Gerald W. Gilbert, Winnebago president and chief executive officer, explained that Winnebago made its first move toward the "design independence" embodied in the Spectrum with its 1980 "X-Body" Warrior, on which 70% of the

continued on page 7

SELLING SECURITY: Security alarm makers are targeting the RV aftermarket with an array of less-expensive, easier-to-operate antitheft systems. Here's a brief guide to what's available, plus some sales techniques. See page 34.

Dealers, RV Makers Debate New-Model Timing

Most RV makers will unveil their new 1989 models over a four-month period from June through September this year, rather than adopt a more uniform late-summer format for which some industry factions have lobbied in recent years.

The Fairfax, Va.-based RVDA last winter issued a position paper encouraging RV manufacturers not to introduce new models until after the crest of the selling season—meaning probably after August or September. The goal, according to RVDA Executive Vice President Bob Strawn, is to better protect dealers, who often have to reduce inventories—and forfeit summer sales—to make way for new models amid their peak selling seasons.

September, RVDA suggested, is probably the most ideal timing for mass introductions, as far as dealers are concerned. "RVDA naturally puts the interest of the dealer first," Strawn said. "Certainly, we are open-minded. I recognize that some of our OEM manufacturers believe that the competitiveness within the industry causes them to do things differently, trying to get the jump on the other guys. The dealers, however, are firm in supporting this resolution."

A lack of continuity in new-model rollouts also has befuddled trade-show sponsors, who are experiencing diminishing attendance due to scattered new-product rollouts and the prevalence of private dealer showings. But most industry executives, including RVIA's Louisville Show Chairman Steve Krivian, who is also director of marketing services for Thor Industries Inc., Jackson Center, Ohio, see no end to the dilemma at this point.

"The topic has been discussed by both the Eastern (Louisville) and Western (Los Angeles) show committees, and there does not appear to be a clear consensus of when products should be announced," Krivian explained. "There continues to be a wide variety of announcement dates based on each specific company's marketing plan, which probably will not change for the foreseeable future."

The manufacturers, for their

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JUNE 17, 1988 TWO DOLLARS

RV BUSINESS

VOLUME 39, NUMBER 6

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COVER ILLUSTRATION: DOUG PAULIN

DAB PERSPECTIVE

NEW-UNIT SALES DOWN IN APRIL

GAYLORD MAXWELL

April was a tough month for RV dealers. At least that's what our Dealer Advisory Board (DAB) reported for the fourth month of '88. Their figures showed that more than 60% of them took in fewer dollars and delivered fewer units than in the preceding April. Four of the five RV types were down in new-unit sales, and the one that was up (fifth-wheels) squeezed into the plus column by only one unit more than in the previous April.

There was definitely a bright side, though. Actual dollars taken in exceeded the total for last April. Larger units made up for fewer sales, and the larger dealers accounted for most of those extra dollars. Of our seven large dealers (dealers averaging more than $1 million a month in sales), five were up for the month, whereas only four of the remaining 16 medium and small DAB dealerships managed to make it into the plus column. Those same statistics applied to the year-to-date.

Used units presented a different picture in April. Only two categories were down for the month in unit sales compared with the same month last year, and only one was down for the year-to-date.

Profits on new units were rated generally good for the month. In fact, the excellent column received more marks than usual. Apparently, dealers made decent profits even though sales were tougher to come by. Half of the DAB also reported used profits excellent, and more than half said they had a great month in service and accessories.

Half of the DAB members rated their new inventories as high. Conversely, half rated their used inventories as low.

Motorhomes

This is the first month this year that motorhome sales have failed to top those of the corresponding month of the previous year. While the drop wasn't great, it did break what appeared to be an upward trend. The drop was attributable to "tow stubbing" by several medium-size dealers who handle both motorhomes and trailers. The big fellows generally managed to stay about even. Year-to-date figures for motorized sales still indicated an excellent year in the making.

Motorhome profits for the month were quite good, with most ratings in the good or excellent columns. Used units were reportedly bringing super profits.

Travel Trailers

Most dealers—regardless of size—managed to hold about even with last year, and a few were running behind. It looks like a see-saw year for new units.

Used-trailer sales were excellent, however. The problem was more one of supply than of demand.

Profits on new units appeared to be a little on the weak side, with most ratings fair or good.

Truck Campers

Camper sales generally were not as bad for our few DAB members who sell them, as was indicated by the percentage drop for April.

Actually, two members were up, two were down, and one remained the same in terms of sales. However, our largest-dealership member reported a significant drop, which accounts for the big negative percentage figure.

Used sales were a bit off for the month, but, year-to-date, they were good. Profits were rated from fair to excellent.

Folding Camping Trailers

As with travel trailers, fold-downs had a small decrease in new-unit sales in April compared with that month last year. The DAB members who handle this type were evenly divided among those who were up and down.

The April figures didn't tell us much, but year-to-date figures were more revealing. Well over half of the DAB members who sell fold-downs were behind in new-unit sales compared with last year at this same point.

Profits on new units were rated fair to good.

Fifth-Wheels

Fifth-wheel trailers were the only RV type in the plus column in April, although by only one unit, compared with last April. The numbers weren't big, but a plus among all the minuses is still somewhat impressive. Apparently, the market was staying ahead of last year because the year-to-date increase was the second highest among the RV types.

Used sales were excellent, too. Profits in new units were a little soft, with ratings about equally divided between fair, good and excellent. Δ

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	APRIL 1988	APRIL 1987	% CHANGE	1988	1987	% CHANGE	APRIL 1988	APRIL 1987	% CHANGE	1988	1987	% CHANGE
MOTORHOMES	158	172	− 8	597	505	+18	163	160	+ 2	539	530	+ 2
TRAVEL TRAILERS	136	145	− 6	430	445	− 3	133	129	+ 3	417	365	+14
TRUCK CAMPERS	17	29	−41	68	84	−19	12	14	−14	45	43	+ 5
CAMPING TRAILERS	122	130	− 6	409	470	−13	56	47	+19	125	138	− 9
FIFTH-WHEELS	37	36	+ 3	122	110	+11	22	27	−19	101	88	+15

	FOR MONTH			YEAR-TO-DATE		
	APRIL 1988	APRIL 1987	% CHANGE	1988	1987	% CHANGE
SALES VOLUME	$15,211,333	$14,923,568	+ 2	$50,511,883	$45,565,759	+11
TOTAL UNIT SALES	856	899	− 5	2,853	2,778	+ 3
NEW-UNIT SALES	470	522	−10	1,626	1,614	+ 1
USED-UNIT SALES	386	377	+ 2	1,227	1,164	+ 5

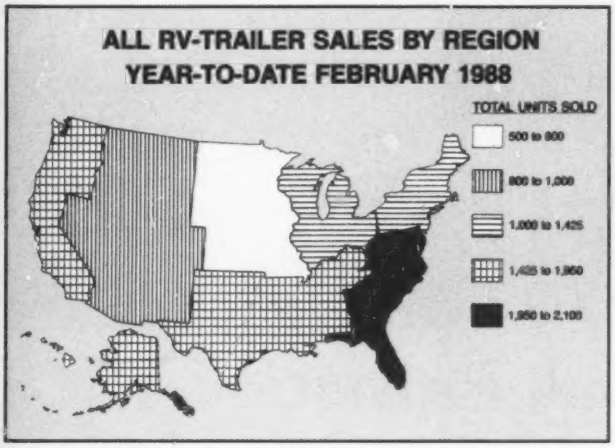
The "DAB Perspective" is a compilation of data provided by *RV Business*' Dealer Advisory Board (DAB), a group comprised of 24 dealers representing a cross section of the U.S. dealer body.

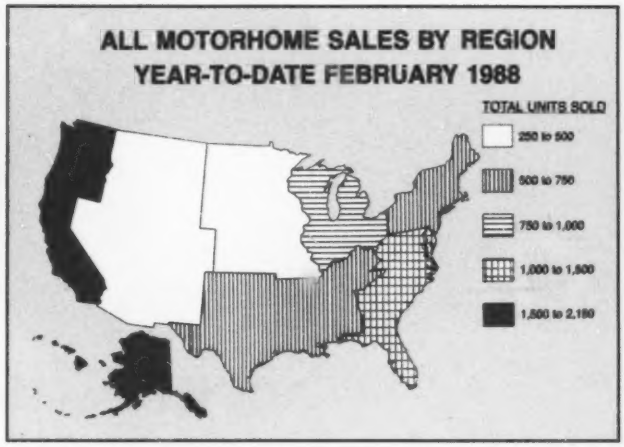
Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Robert Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Dick Dasson,** Victor, N.Y.; **Bill De Groot,** Junction City, Ore.; **Crosby Forrest,** Newport News, Va.; **Danny Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Dottie Helgeson,** Seattle, Wash.; **Newton Kindland,** Orlando, Fla.; **Gizzie Leehard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Autry-Miller,** Fayetteville, N.C.; **Jack Moran,** Warwick, R.I.; **Mike Peay,** Albuquerque, N.M.; **Edward Peterson,** Lafayette, Ind.; **William Pifer,** Warren, Mich.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.; **Larry Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

STRONG FEBRUARY RECOUPS '88 LOSSES

THOMAS WALWORTH





East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.

In February 1988, the RV market came back to life. In a month-to-month and the year-to-date comparison, both the RV-trailer and motorhome industries outperformed the previous February and the first two months of 1987.

In February, RV trailers had a 6.22% gain over February 1987. For the year-to-date, trailers gained 4.63% over the same period in 1987. That year-to-date increase eliminated the 12.5% drop that had taken place in January of this year when compared with last January. (The RV-trailer category included travel trailers, park trailers, fifth-wheels and fold-downs.)

All but one of the regions of the country registered an improvement in February compared with February of a year ago. *(See Figure 1.)* We should add, however, that part of the reason for the Pacific region's decline was a registration data problem in Washington state. If we were to replace the Washington figure with an average for the last few Februarys, the Pacific region would break even for the month.

On a year-to-date basis, the RV-trailer industry had three regions with increases in February. *(See Figure 1.)* If we add the correction for the Washington data problem, the Pacific market would be down by approximately 14%. Despite those regional declines, the RV-trailer market was still up 4.63% nationwide compared with last year in the first two months.

With the month of February showing six out of the seven regional markets with sales increases over last February, the RV-trailer market seemed to have rebounded from its January slump.

The motorhome market, meanwhile, had a 17.91% overall sales gain this February compared with February of a year ago. The year-to-date increase was 3.41%. Both these increases erased the 11.45% drop that had taken place in January 1988 when compared with the previous January. (The motorhome market included data for Class A's and wide-body Class A's, conventional Class C's and Class C micro-minis.)

Five of the nation's seven regions recorded positive February percent changes. And, for the year-to-date, four out of seven regions registered sales increases compared with 1987. *(See Figure 2.)*

It is interesting to note that the sales trends in the motorhome and RV-trailer industries seemed to balance each other. An example would be the Northeast region, where the motorhome market was up by 3.03% for the year-to-date, compared with a 21.4% increase for trailers in the same two-month period. These differences could be caused by seasonal trends by product type. Δ

REGIONAL RV-TRAILER SALES FOR FEBRUARY 1988

Region	Percent Change From Feb. 1987	Percent Change Year-to-Date
East North Central	2.9	0.6
Mountain	39.9	30.8
Northeast	14.8	21.4
Pacific	–9.8	–20.7
South Atlantic	3.5	–10.3
South Central	1.3	– 4.3
West North Central	3.8	– 4.8

Figure 1

REGIONAL MOTORHOME SALES FOR FEBRUARY 1988

Region	Percent Change From Feb. 1987	Percent Change Year-to-date
East North Central	4.9	– 5.7
Mountain	16.3	9.8
Northeast	11.9	3.0
Pacific	27.7	2.9
South Atlantic	29.0	14.7
South Central	–11.0	– 0.6
West North Central	– 6.0	–10.0

Figure 2

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.